



GAIL'S

GENDER PAY GAP REPORT
2022



VISION & MISSION

The GAIL's Bakery story began in the early 1990s, when Gail Mejia and our bakers started serving London's top restaurant chefs. In 2005, we opened our first neighbourhood bakery in Hampstead. Our aim is to make world-class craft bread a part of every community.

We want to reinvent the way Londoners think about bread – fresh and handmade – and their neighbourhood bakery – local and beautiful.

We think bread is beautiful. We love how it looks, smells and feels, and of course we love how it tastes. We love the tradition and the skill that goes into baking it, and the never-ending quest for the finest ingredients.

OUR VALUES



WE CARE ABOUT BAKING

We believe great baking is beautiful, unifying, life-enhancing. We love baking for the craft, the care, the naturalness. We always want to learn more.



WE CARE ABOUT EACH OTHER

We work as one team. We look after each other through good times and bad. We respect each other's differences.



WE CARE ABOUT THE COMMUNITY

We like people. We like to smile, to chat, to listen, to help. We like the small, daily interactions of a local neighbourhood.



WE CARE ABOUT A JOB WELL DONE

We take pride in our surroundings. OK isn't good enough for us. We want our customers to leave with a spring in their step and a smile on their face.



WHAT IS THE GENDER PAY GAP?

The gender pay gap is the difference between the average earnings of men and women across a workforce. In many places, sectors and roles, men have earned (and continue to earn) more than women, even when the work is comparable. As well as being unfair, this imbalance serves to perpetuate gender-based stereotypes and discrimination. Reducing the gender pay gap, as well as being the right thing to do, increases productivity.

In the UK, the gender pay gap has narrowed considerably in the last decade, since the introduction of the Equality Act 2010 and further, gender-specific regulations. Indeed, some segments of the population now have women earning more than men. The aggregate picture, however, is still one in which the average man earns more than the average woman.



WHAT DO WE HAVE TO REPORT?

Publicly reporting differences in pay between male and female employees has been shown to impact the gender pay gap. Since 2017, UK-based companies with more than 250 employees have been required to report their gender pay gap. This involves compiling the following data:

- The percentage of men and women in each earnings quartile
- The mean (average) gender pay gap, based on hourly pay
- The median (middle) gender pay gap, based on hourly pay
- The percentage of male and female employees awarded a bonus
- The mean (average) gender pay gap for bonus pay
- The median (middle) gender pay gap for bonus pay

Companies collate these figures based on their payroll data as at 5 April each year (known as the snapshot date).



MEAN VS MEDIAN

The mean is calculated by adding all the hourly pay rates (or bonuses) for all female employees, then dividing the total by the number of female employees. This can then be compared with the mean hourly rate for men, which is calculated in the same way. The median is the middle point between the highest hourly rate and the lowest hourly rate. While this is still important, the mean (average) rate is the most useful. This is because the median role for female employees may be at a different level to the median for male employees.

OUR STATUTORY REPORT

The following data sets out GAIL's gender pay gap position for the 2021/22 reporting year, based on a snapshot date of 5 April 2021.



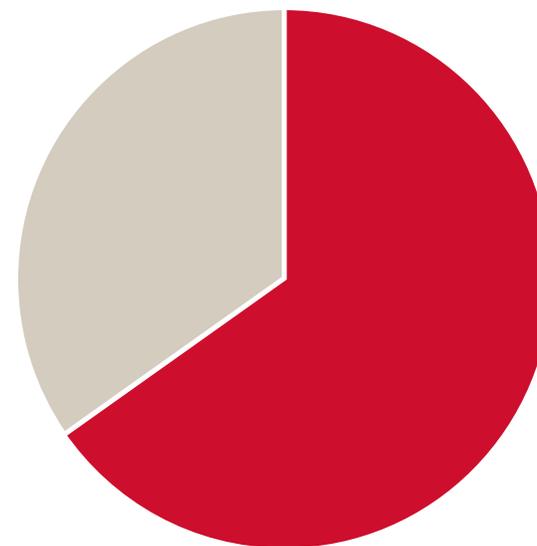
TOTAL EMPLOYEES

GAIL's STATUTORY REPORT

On the snapshot date, GAIL's employed a total of 856 people, of which 560 were women and 296 were men (65 percent and 35 percent, respectively).

See Context and Analysis for an explanation of how these figures have changed since last year.

Gender Split



■ Female ■ Male



PAY GAP

GAIL's STATUTORY REPORT

The median pay gap was less than one per cent, meaning the middle-earning female employee earned almost exactly the same as the middle-earning male employee. The mean pay gap was two per cent, which means the average female employee earned two percent less than the average male employee.

Gender Pay Gap



	2017	2018	2019	2020
Median gender pay gap	0%	0%	-1%	0%
Mean gender pay gap	+4%	0%	-6%	-4%

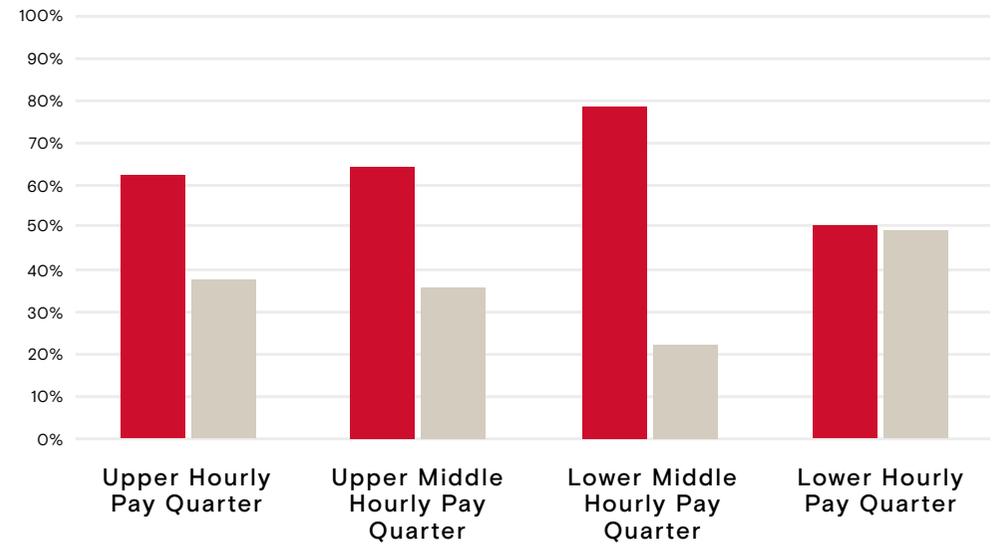
■ Female ■ Male



PROPORTION OF MEN AND WOMEN BY PAY QUARTILE

GAIL's STATUTORY REPORT

When we divide employees into pay quartiles, the gender split is as follows.



■ Female ■ Male

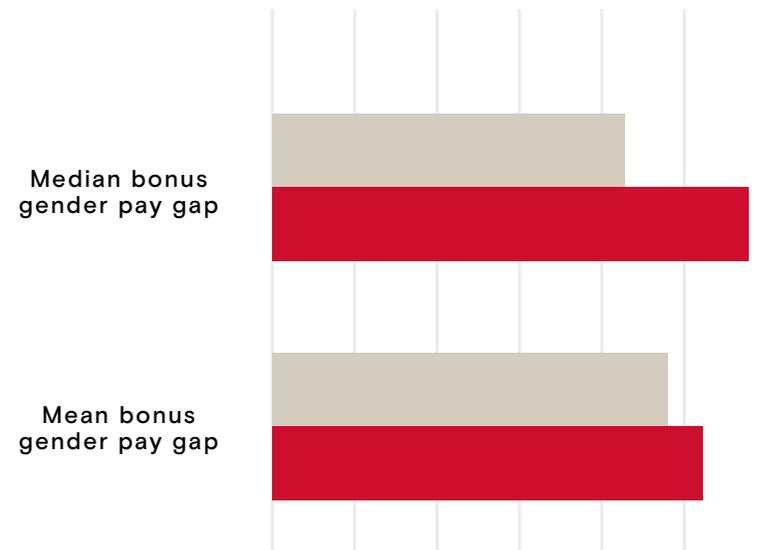


PROPORTION OF MEN AND WOMEN WHO RECEIVED A BONUS

GAIL's STATUTORY REPORT

At the time of the snapshot, 26 per cent of all staff had received a bonus in the previous 12 months. Broken down by gender, 28 per cent of male staff and 26 per cent of female staff had received a bonus. The median bonus paid to a woman was 34 per cent higher than the median paid to a man. The mean female bonus was nine per cent higher than the mean male bonus.

Gender Bonus Gap



Female Male

CONTEXT & ANALYSIS

COVID-19

On last year's snapshot date, the majority of GAIL's employees were on furlough. The government stated that furloughed employees were not to be included in gender pay gap reports. At the time, we had around 900 staff on furlough. The impact of excluding these furloughed colleagues from the data made some differences more pronounced.

Since then, we have substantially increased the number of employees overall, and slightly increased the proportion of female to male employees.

PERFORMANCE OVER TIME

Compared to last year (reporting on a snapshot date of 5 April 2020), our median pay gap has remained the same, at less than one per cent. We have narrowed the mean pay gap from four per cent last year, to two per cent this year.

Last year, women were over-represented in the lowest earning quartile. We have further reduced this disparity (51 per cent this year, compared to 68 last year and 81 per cent the year before).

Last year, we had closed the bonus gap, with the median bonus for men and women being almost exactly the same for the first time. This year, however, the gap has widened but in the opposite direction, with women earning a larger average bonus than men.

BENCHMARKS

In trying to understand our gender pay position, it can be helpful to compare our results to those of our sector and the nation as a whole.

According to the Office for National Statistics (ONS), the gender pay gap for all employees in the UK was 15.5 per cent. This variance is driven (at least in part) by the under-representation of women at managerial and/or higher paid roles.

In our sector ('Food preparation and hospitality trades'), the gender pay gap is typically two per cent. This narrow variance is driven mainly by the national minimum wage, with the majority of staff typically employed at or slightly above this floor level. We currently pay above the National Minimum Wage for all roles.

At GAIL's, we have a gender-balanced leadership team, with the roles of Managing Director, People Director and several other senior leadership roles currently occupied by women. We also have a good gender balance at head of department and operations manager levels. This, we believe, helps us to make GAIL's a great place for women to work and to outperform industry benchmarks for equal pay. We continuously work to maintain and improve our diversity through all our recruitment, training and development activities.

LANGUAGE AND IDENTITY

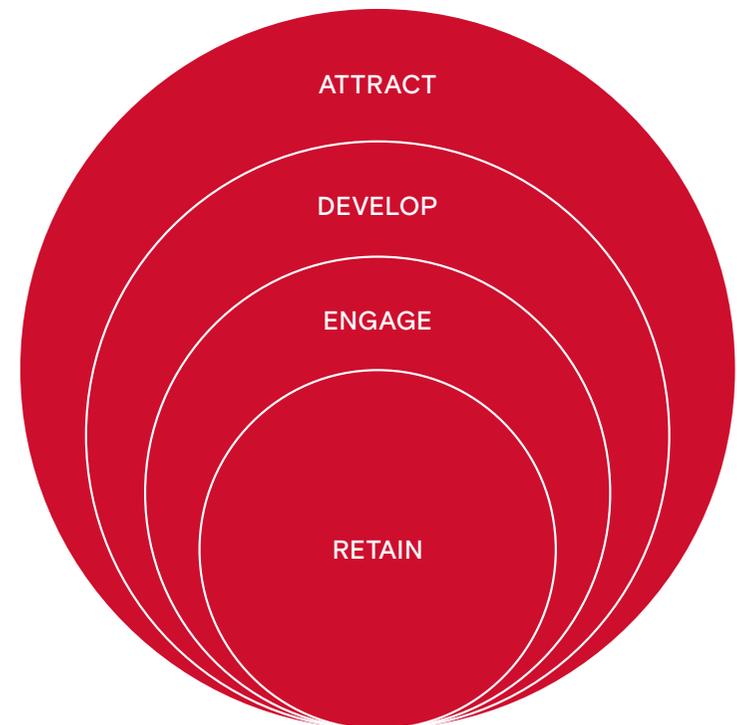
At present, we offer employees two options to define their gender: male and female. This is due in part to the government requirement; there is no scope in the current submission standard for recording other gender identities. In future, as part of our commitment in maintaining and improving an inclusive and welcoming workplace, we will look to be more inclusive within our questions on gender identity.



OUR PEOPLE STRATEGY

Our People Strategy is simple:

- **Attract** the best people
- **Develop** our talent
- **Engage** our teams
- **Retain** the best



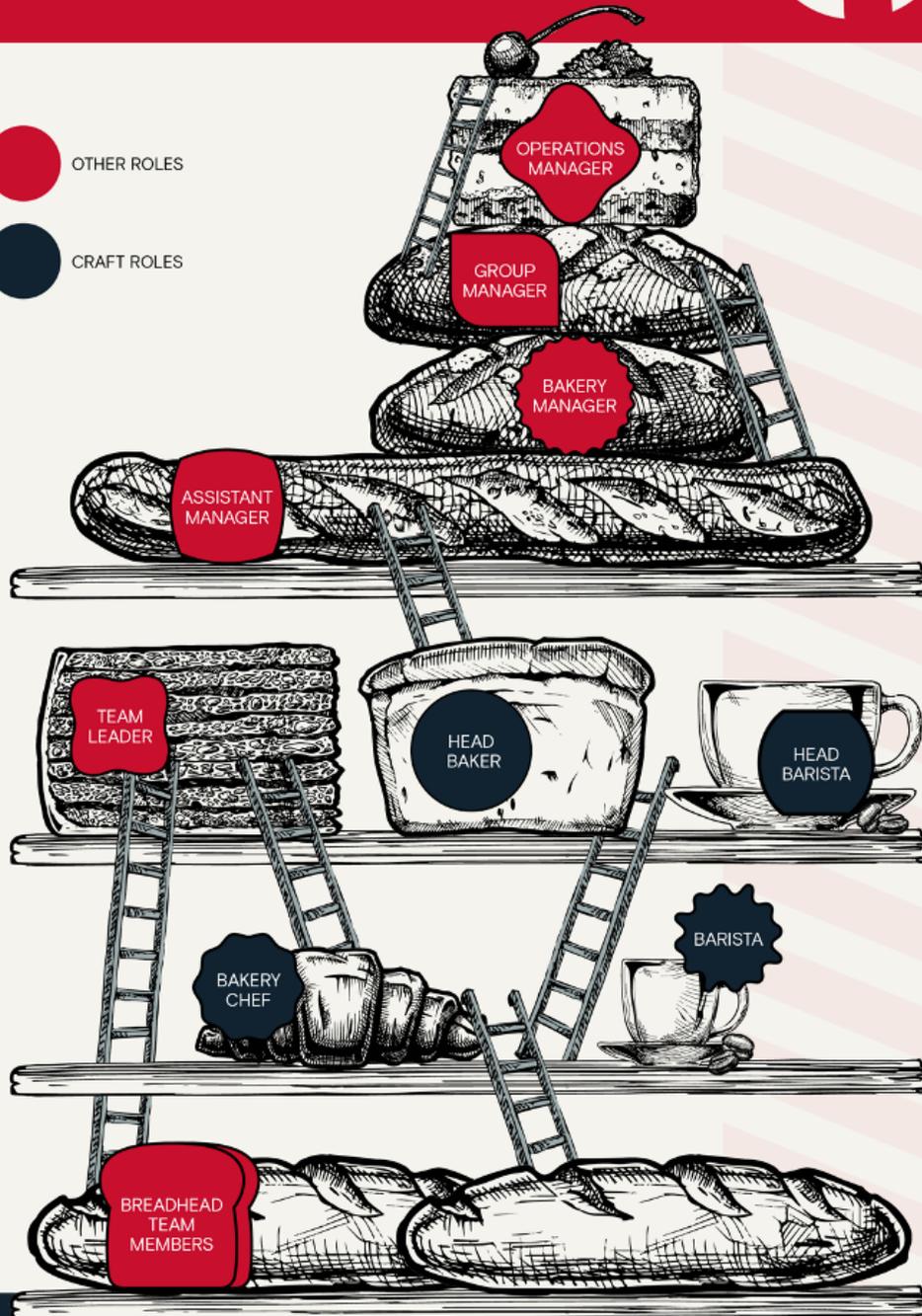
This year, we have added a further goal: by 2025, we aim to recruit 70% roles from within the business.

GAIL's

KNEADING YOUR CAREER



DEVELOP WITH GAIL's



We want everyone to have a slice of the bread; there are plenty of opportunities to grow and develop a successful career with us. Kneading Your Career is our learning and development breadcrumb trail. It shows the opportunities available at each level in the business. We provide the pathway, training and support to help our people achieve their goals and reach their full potential.

CONCLUSIONS AND ACTION PLAN

Our gender pay gap results have consistently outperformed national and industry benchmarks; this year is no exception, with a gap of less than one per cent maintained. Like our industry-leading performance in staff turnover, we believe these results validate our philosophy and approach. However, we recognise the need to continually improve.

Last year, we said we would review our pay and benefits to ensure we remain competitive. We have completed the review and are in the process of implementing a substantial pay increase, increased paid holiday and a suite of additional employee benefits we believe to be best in class.

We will continue our programme of new bakery openings, to provide more opportunities for great people to join us. We will also continue to develop our training and development programme to support our aim to fill 70 per cent of roles with internal promotion.

We have also partnered with Best Companies to adopt their best-practice staff engagement framework. Launching late last year, this rigorous, evidence-backed approach provides comprehensive insight across eight key engagement factors:

- Relationships with line managers
- GAIL's leadership
- Company performance
- Personal growth
- Teamwork
- Wellbeing
- Fair pay and benefits
- Giving back to local communities

On the basis of our first survey, we were honoured to be awarded Best Companies – One To Watch accreditation. We are determined to maintain and build upon this high level of performance to be the best place in the hospitality sector to work and grow.



BEST THING SINCE